(b) whether Government have taken during the past three years or propose to take any action to make the functioning of the banking sector transparent, if so, the details thereof;

(c) what are the reasons for not removing the statutory provisions which enables the bank and Government to withhold the information regarding those creditors who have defaulted on payments or defrauded the banks in any manner; and

(d) whether Government are aware of the demand made by various quarters that particulars regarding defaulters above a specified amount should be made public, if so, what action has been taken by Government in the matter ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKHAR MURTHY) : (a) to (d) The total amount of advances in all sectors of public sector banks as at the end of March 1993 (latest available) was Rs. 125.955 crores and the amount of overdues against these advances stood at Rs. 22989 crores consituting 18.25% of the total outstanding advances. Commercial banks are in the process of undergoing a time bound structural transformation. The reform programme is primarily designed to make the financial sector more viable, efficient and responsive. Banks are being encouraged to act as autonomous business unit, responsible for their performance. The structural reform in the financial sector focus on easing constraints, prescribing appropriate prudential norms relating to provisioning against loan losses and capital adequacy, introducing transparency in the accounting and reporting procedures, re-structuring and recapitalising banks. Reserve Bank of India (RBI) has prepared a scheme in pursuance of the above programme to collect and disseminate information on the defaulters of suit field accounts aggregating Rs. one crore and above. Necessary instructions in this regards have already been issued to banks by RBI. In terms of these instructions, all scheduled commercial banks and financial institutions are required to submit to the RBI by 15th of April and October every year the details of the borrowal accounts which have been classified as doubtful, loss and suit filed with outstanding aggregating Rs. one crore and above showing the position as on 31st March and 30th September respectively. Based on the information so collected RBI will be publishing every year in a booklet form the list of suit filed accounts and also up-date of the list half-yearly. The information so compiled will be circulated by RBI to the banks and financial institutions who may make use of the same while considering on merits the requests for new or additional credit limits by existing and new constituents.

Cases of Embezzement in Nationalised Banks

2009. PROF. VIJAY KUMAR MALHOTRA : Will the Minister of FINANCE be pleased to state :

(a) whether the cases of cheating, fraud etc. are on the increase in nationalised banks;

(b) if so, the number of such cases that have come to light in the last 12 months, nationalised bank-wise and how do these compare with the preceding three years;

(c) the steps Government have taken to check such cases in future; and

(d) the number of bank employees found aiding and abetting such cases and the action taken against them. bank-wise ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKHAR MURTHY) : (a) to (d) The information is being collected and will be laid on the Table of the House.

Bogus Business by LIC in Meerut

2010. DR. MURLI MANOHAR JOSHI :

SHRI TRILOKI NATH CHATURVEDI :

Will the Minister of FINANCE be pleased to state :

(a) whether Government have seen the reports published in the 'Dainik Jagran' of 23rd August, 1994 regarding inflated and bogus business shown by the branches of LIC in the Meerut district;

(b) whether it is a fact that similar reports of fraudulent and inflated business in LIC Branch No. 254, Muzaffarnagar and Branch No. 366, Khatauli have appeared in the press and that LIC branches have been showing inflated figures of business generated by them and what are the details thereof;

(c) what action has been taken with regard to (a) and (b) above; and

(d) what steps have been taken to stop inflated business and streamline the malpractices in the Life Insurance business ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKHAR MURTHY) : (a) to (d) The Government are aware of press report regarding the alleged fake business in LIC in the Meerut Division. Based on such reports, the LIC have informed that a special audit is being arranged for the concerned branches to investigate throughly all these aspects.